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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of decision: 17th November, 2018

\+ **O.M.P. 812/2014**

M/S AJNALA RICE MILLS ..... Petitioner

Through: None.

versus

FCI ..... Respondent

Through: Mr. Mohan Lal Sharma, Advocate (M-9811537909).

CORAM:
JUSTICE PRATHIBA M. SINGH

Prathiba M. Singh, J. (Oral)

1. The present petition under Section 34 of the Act has been filed challenging the award of Ld. Sole Arbitrator dated 13th June, 2013. None appears for the Petitioner/miller (*hereinafter, 'miller'*).

2. The parties had entered into a milling contract dated 8th October, 1994 under which the Food Corporation of India (*hereinafter, 'FCI'*) was to supply to the miller paddy, of different varieties, the miller was to store and mill the same, and supply the resultant rice back to FCI. This exercise had to be completed on or before 28th February, 1995. Pursuant to the said contract, FCI had supplied 6290 bags (4088-50-000 quintals) of superfine variety paddy, 7743 bags (5032-95-000 quintals) of fine variety paddy and 8011 bags (5207-15-000 quintals) of common variety paddy.

3. The Ld. Sole Arbitrator came to the conclusion that the milling contract provided for the last date for milling as 28th February, 1995 which

was however extended. The Ld. Sole Arbitrator thus held that the cut off date of 28th February, 1995 does not apply. However, the entire quantity of unmilled paddy was not returned to the FCI. A total of 140 bags to the tune of about 91.65 quintals of common paddy were not returned to the FCI. As per the fixed rates, the Ld. Arbitrator holds that since there was a short fall of 91.65 quintals and the miller is liable to compensate the FCI 1½ times of economic cost.

4. This is not a case wherein the miller purchased the entire quantity of unmilled paddy or a case where the entire unmilled paddy was sold through open sale. In this case, admittedly, 91.65 quintals of the paddy could not be recovered from the miller i.e. meaning thereby, the stock was either siphoned off or pilfered. In this view of the matter, the award of the Ld. Arbitrator is as per law and the damages awarded to FCI are liable to be upheld. The claim of interest is also just and tenable. The Award is upheld.

5. The petition is dismissed, accordingly.

PRATHIBA M. SINGH
JUDGE

NOVEMBER 17, 2018
Rahul